



Financial Statements

Save A Family Plan

March 31, 2019

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Independent Auditor's Report

To the Board of Directors of
Save A Family Plan

Qualified Opinion

We have audited the financial statements of Save A Family Plan, which comprise the statement of financial position as at March 31, 2019, and the statement of revenues and expenditures and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the statement of financial position of Save a Family Plan as at March 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Save a Family Plan derives revenue from donations and other fundraising events, the completeness of which are not susceptible of satisfactory audit verification. Accordingly, our verification of these donations and other fundraising events was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets, and net assets balances.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Independent Auditor's Report (continued)

- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Windsor, Canada
June 17, 2019

Chartered Professional Accountants
Licensed Public Accountants

Save A Family Plan Statement of Financial Position

For the year ended March 31	Operating Fund 2019 \$	Burse Fund 2019 \$	Total 2019 \$	Total 2018 \$
Assets				
Current				
Cash	1,351,041	455,995	1,807,036	444,398
Interest receivable	23,244	-	23,244	23,244
Investments (Notes 2 & 5)	6,737,609	2,649,783	9,387,392	9,236,576
HST receivable	17,506	-	17,506	14,872
CSV of life insurance	29,265	-	29,265	28,594
Prepaid expenses	7,781	-	7,781	7,781
	<u>8,166,446</u>	<u>3,105,778</u>	<u>11,272,224</u>	<u>9,755,465</u>
Tangible capital assets (Note 4)	<u>281,182</u>	<u>-</u>	<u>281,182</u>	<u>281,986</u>
	<u>8,447,628</u>	<u>3,105,778</u>	<u>11,553,406</u>	<u>10,037,451</u>
Liabilities				
Current				
Accounts payable and accrued liabilities	11,922	-	11,922	9,717
Accrued liability - family support	414,301	-	414,301	-
Deferred CSSAI contributions	-	-	-	99,189
	<u>426,223</u>	<u>-</u>	<u>426,223</u>	<u>108,906</u>
Net Assets				
Unrestricted - uncommitted	4,228,415	-	4,228,415	2,315,733
Unrestricted - committed (Note 8)	<u>3,511,808</u>	<u>-</u>	<u>3,511,808</u>	<u>3,830,942</u>
	7,740,223	-	7,740,223	6,146,675
Invested in capital assets Internally restricted - burse (Note 6)	281,182	-	281,182	281,986
	<u>-</u>	<u>3,105,778</u>	<u>3,105,778</u>	<u>3,499,884</u>
	<u>8,021,405</u>	<u>3,105,778</u>	<u>11,127,183</u>	<u>9,928,545</u>
	<u>8,447,628</u>	<u>3,105,778</u>	<u>11,553,406</u>	<u>10,037,451</u>

Save A Family Plan

Statement of Revenue and Expenditures - Operating fund

Year ended March 31

	2019	2018
	\$	\$
Revenues		
Donations	4,027,907	4,412,500
Realized investment income	432,668	(312,361)
Unrealized gain on investments	<u>261,431</u>	<u>534,719</u>
	<u>4,722,006</u>	<u>4,634,858</u>
Expenses		
Program		
Family Development Program, India	2,525,211	2,543,649
Disaster Management Program	3,000	-
Community Development Program, India		
India - SPED IV	1,000	100,000
India - Special Projects	429,326	304,320
Pilot Projects	11,600	-
Documentation and Printing Program	11,100	-
Special Project - Smile Cares - CSSAI	<u>30,000</u>	<u>-</u>
	3,011,237	2,947,969
SAFP programs	<u>34,258</u>	<u>28,338</u>
Total program expenditures	<u>3,045,495</u>	<u>2,976,307</u>
Administrative costs	328,377	307,364
Other expenditures		
Amortization	804	419
Fundraising costs	1,008	2,205
Investment advisory fees	151,761	117,032
(Loss) Gain on foreign exchange	<u>(4,077)</u>	<u>9,863</u>
Total other expenditures	<u>149,496</u>	<u>129,519</u>
	<u>3,523,368</u>	<u>3,413,190</u>
Excess of revenue over expenditures	<u>1,198,638</u>	<u>1,221,668</u>

Save A Family Plan

Statement of Changes in Net Assets

	Invested in Capital Assets	Restricted For Burse	Unrestricted	Total	Total
For the year ended March 31	2019 \$	2019 \$	2019 \$	2019 \$	2018 \$
Balance, beginning of year	281,986	3,499,884	6,146,675	9,928,545	8,706,877
Excess of revenues over expenditures	-	-	1,198,638	1,198,638	1,221,668
Net change in investment in capital assets	(804)	-	804	-	-
Fund transfers (Note 2)	<u>-</u>	<u>(394,106)</u>	<u>394,106</u>	<u>-</u>	<u>-</u>
Balance, ending of year	<u>281,182</u>	<u>3,105,778</u>	<u>7,740,223</u>	<u>11,127,183</u>	<u>9,928,545</u>

Save A Family Plan

Statement of Cash Flows - Operating fund

Text

For the year ended March 31

	2019	2018
	\$	\$
Operating		
Excess of revenues over expenditures	1,198,638	1,221,668
Non-cash items included in the determination of net earnings:		
Amortization	804	419
Unrealized gain on investments	<u>261,431</u>	<u>534,719</u>
	<u>1,460,873</u>	<u>1,756,806</u>
Change in non-cash working capital items		
Other receivable	(2,634)	(1,182)
Cash surrender value of life insurance	(671)	(921)
Accounts payable and accrued liabilities	2,206	(500)
Accrued liability - family support	414,301	-
Deferred CSSAI contributions	<u>(99,189)</u>	<u>99,189</u>
Net changes in non-cash working capital	<u>314,013</u>	<u>96,586</u>
Total change in non-cash working capital items	<u>1,774,886</u>	<u>1,853,392</u>
Financing		
Increase in marketable securities	<u>(412,248)</u>	<u>(1,547,768)</u>
Investing		
Purchase of capital assets	<u>-</u>	<u>(250,000)</u>
Increase (decrease) in cash and cash equivalents	1,362,638	55,624
Cash		
Cash and cash equivalents, beginning of year	<u>444,398</u>	<u>388,774</u>
Cash and cash equivalents, end of year	<u>1,807,036</u>	<u>444,398</u>
Cash consists of:		
Cash in bank	<u>1,807,036</u>	<u>444,398</u>

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

1. Nature of operations

Save A Family Plan was founded in 1965 and was incorporated in 1986 without share capital under the laws of Canada. It supports sustainable and participatory Family and Community Development Programs in India through partnership with the poor regardless of caste, creed or religious affiliation. It is a registered charity and as such is exempt from income tax.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Revenue recognition

Donations are recorded as received using the restricted fund method of accounting for contributions. Investment income is recorded when earned.

Program expenditures

Program expenditures are recorded on an accrual basis for allocation to participating families or developmental projects.

Fund accounting

The financial statements of Save A Family Plan are maintained in accordance with principles of fund accounting. Accordingly, all financial transactions have been recorded and reported by the Operating Fund and the Burse Fund.

The Operating Fund accounts for program and administrative costs financed by grants, donations and all investment income.

The Burse Fund no longer receives donations as the burse plan was cancelled effective March 31, 2015. Donations received from March 31, 1996 to March 31, 2015 are held in the Burse Fund for a period of twenty years, then at the beginning of the twenty-first year the funds are transferred to the Operating Fund. Donations received prior to March 31, 1992 were retained indefinitely subject to the Board's discretion; however, commencing in the 2017 fiscal year, as per the board's decision, burse donors were informed that these funds will be used to continue to support families up to a six year period ending in fiscal year 2022.

The statement of financial position reports all the assets, liabilities and fund balances of both funds. Interfund balances have been eliminated. The statement of changes in net assets reports the revenue and expenditures of each fund.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

2. Significant accounting policies, continued

Tangible capital assets

Tangible capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost.

Tangible capital assets are amortized on a straight-line basis using the following annual rates:

Computer hardware and software	5 years
Computer software systems	40 years
Equipment	5 years
Leasehold improvements	12.5 years

Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Contributed services

The organization receives significant donations of services. Management has chosen to not recognize amounts related to these contributed services as the fair value cannot be reasonably estimated.

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

2. Significant accounting policies, continued

Financial assets and liabilities

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain circumstances. The organization accounts for the following as financial instruments:

- cash
- interest receivable
- investments
- HST receivable
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially recorded at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Investments in equity instruments that are quoted in an active market are subsequently measured at fair value.

Financial assets and liabilities are subsequently measured according to the following methods:

<u>Financial instrument</u>	<u>Subsequent measurement</u>
Cash	Amortized cost
Interest receivable	Amortized cost
Investments	Fair value
HST receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

3. Financial instruments

The organization's main financial risk exposure is detailed as follows:

(a) Market risk

The organization's financial instruments expose it to market risk, in particular, interest rate risk, resulting from its investing activities.

(i) Interest rate risk

The company is exposed to interest rate risk with respect to its marketable securities bearing fixed interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating activities, by having an investment policy, and by using an investment advisor.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk primarily through its investments in marketable securities. In seeking to minimize other price risk, the organization has implemented an investment policy and uses an investment advisor.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to currency risk primarily through its investments in marketable securities and due to its expenditures in foreign countries such as India. In seeking to minimize currency risk, the organization monitors the foreign exchange rates, has implemented an investment policy and uses an investment advisor.

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

4. Tangible capital assets

	Cost \$	Accumulated Amortization \$	2019 Net Book Value \$	2018 Net Book Value \$
Equipment	31,785	31,785	-	-
Computer hardware	20,061	20,061	-	804
Computer software	35,958	4,776	31,182	31,182
Leasehold improvements	29,059	29,059	-	-
Leasehold improvements not subject to amortization	250,000	-	250,000	250,000
	-	-	-	-
	<u>366,863</u>	<u>85,681</u>	<u>281,182</u>	<u>281,986</u>

5. Investments

Investments are summarized as follows:

Fixed income securities maturing over the next 5 years as follows:

	Face value \$	Cost \$	Market value \$
2020	1,103,000	1,119,794	1,109,525
2021	773,000	771,495	774,298
2022	334,000	346,929	348,172
2023	820,000	827,608	843,372
2024	259,000	246,833	254,712
	3,289,000	3,312,659	3,330,079
Equities & equity funds	-	-	6,057,314
	<u>3,289,000</u>	<u>3,312,659</u>	<u>9,387,393</u>

6. Restricted Burse Funds

Burse funds consist of the following:

	2019 \$	2018 \$
Prior to 1992	1,434,329	1,434,329
Post 1992	1,671,449	2,065,555
	<u>3,105,778</u>	<u>3,499,884</u>

Realized and unrealized investment income earned on these funds totaled \$365,515 during the year (2018 - (\$554,436)).

Save A Family Plan

Notes to the Financial Statements

Year ended March 31, 2019

7. Programs

Save A Family Plan (Canada) exercises significant influence over Save A Family Plan (India) by virtue of its ability to appoint the President of the Board of Trustees of Save A Family Plan (India). Save A Family Plan (India) received payments of \$3,011,237 (2018 - \$2,947,969) from Save A Family Plan (Canada). These amounts are recorded at the exchanged amount. Save A Family Plan provided funding for sustainable grass-roots family and community based multi-sector programming including: housing, sanitation, education, income generation (entrepreneurial development), natural resource management and conservation (including drinking water systems/water wells and rainwater harvesting, watersheds, organic farming, waste management, pollution control, renewable energy/biogas and solar energy initiatives), gender equality, health and hygiene (including HIV/AIDS, TB and malaria initiatives), capacity building, good governance, human rights, child labour, disaster management and rehabilitation, and micro-credit.

8. Committed Net Assets

This amount represents contributions received and not yet disbursed which are committed for program funding.

9. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
